

Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

2002

Department of the Treasury
Internal Revenue Service

Note: The organization may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 2002, or tax year beginning **JUL 1, 2002**, and ending **JUN 30, 2003**

G Check all that apply: Initial return Final return Amended return Address change Name change

Use the IRS label. Name of organization: **KIPP FOUNDATION**
Otherwise, print or type. Number and street (or P O box number if mail is not delivered to street address) Room/suite: **345 SPEAR STREET 510**
See Specific Instructions. City or town, state, and ZIP code: **SAN FRANCISCO, CA 94105-1657**

A Employer identification number
94-3362724

B Telephone number
(415) 399-1556

H Check type of organization: Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

C If exemption application is pending, check here
D 1. Foreign organizations, check here
2. Foreign organizations meeting the 85% test, check here and attach computation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) **\$ 4,522,142.**
J Accounting method: Cash Accrual
 Other (specify) _____

E If private foundation status was terminated under section 507(b)(1)(A), check here

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here

Part I Analysis of Revenue and Expenses
 (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received Check <input type="checkbox"/> if the foundation is not required to attach Sch B	14,742,779.			
2 Distributions from split-interest trusts				
3 Interest on savings and temporary cash investments	19,163.	19,163.	19,163.	STATEMENT 2
4 Dividends and interest from securities				
5a Gross rents				
b (Net rental income or (loss))				
6a Net gain or (loss) from sale of assets not on line 10	<519.>			STATEMENT 1
b Gross sales price for all assets on line 6a	1,500.			
7 Capital gain net income (from Part IV, line 2)		0.		
8 Net short-term capital gain			0.	
9 Income modifications				
10a Gross sales less returns and allowances				
b Less: Cost of goods sold				
c Gross profit or (loss)	35,359.	0.	35,359.	STATEMENT 3
11 Other income				
12 Total. Add lines 1 through 11	14,796,782.	19,163.	54,522.	
13 Compensation of officers, directors, trustees, etc	261,888.	0.	0.	261,888.
14 Other employee salaries and wages	4,888,882.	0.	0.	4,888,882.
15 Pension plans, employee benefits	531,521.	0.	0.	531,521.
16a Legal fees STMT 4	126,638.	0.	0.	126,638.
b Accounting fees STMT 5	28,450.	0.	0.	28,450.
c Other professional fees STMT 6	129,127.	0.	0.	129,127.
17 Interest				
18 Taxes STMT 7	2,261.	0.	0.	2,261.
19 Depreciation and depletion STMT A	71,144.	0.	0.	
20 Occupancy	214,949.	0.	0.	214,949.
21 Travel, conferences, and meetings	1,328,206.	0.	0.	1,328,206.
22 Printing and publications	82,631.	0.	0.	82,631.
23 Other expenses STMT 8	2,616,969.	0.	0.	2,616,969.
24 Total operating and administrative expenses. Add lines 13 through 23	10,282,666.	0.	0.	10,211,522.
25 Contributions, gifts, grants paid	1,677,076.			1,642,431.
26 Total expenses and disbursements. Add lines 24 and 25	11,959,742.	0.	0.	11,853,953.
27 Subtract line 26 from line 12	2,837,040.			
a Excess of revenue over expenses and disbursements				
b Net investment income (if negative, enter -0-)		19,163.		
c Adjusted net income (if negative, enter -0-)			54,522.	

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	228,405.	83.	83.
	2 Savings and temporary cash investments	463,408.	1,136,618.	1,136,618.
	3 Accounts receivable ▶ 602,651.			
	Less allowance for doubtful accounts ▶	346,547.	602,651.	602,651.
	4 Pledges receivable ▶ 2,100,000.			
	Less allowance for doubtful accounts ▶		2,100,000.	2,100,000.
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶ 27,459.			
	Less allowance for doubtful accounts ▶	5,373.	27,459.	27,459.
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges		193,061.	193,061.
	10a Investments - U S and state government obligations			
	b Investments - corporate stock			
	c Investments - corporate bonds			
Liabilities	11 Investments - land, buildings, and equipment basis ▶			
	Less: accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment basis ▶ 306,941.			
	Less: accumulated depreciation STMT A ▶ 111,664.	129,047.	195,277.	195,277.
	15 Other assets (describe STATEMENT 9) ▶	29,471.	266,993.	266,993.
	16 Total assets (to be completed by all filers)	1,202,251.	4,522,142.	4,522,142.
	17 Accounts payable and accrued expenses	779,997.	1,217,003.	
	18 Grants payable		34,645.	
19 Deferred revenue		11,200.		
20 Loans from officers, directors, trustees, and other disqualified persons				
21 Mortgages and other notes payable				
22 Other liabilities (describe ▶)				
23 Total liabilities (add lines 17 through 22)	779,997.	1,262,848.		
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>			
	24 Unrestricted	412,281.	877,820.	
	25 Temporarily restricted	9,973.	2,381,474.	
	26 Permanently restricted			
	Organizations that do not follow SFAS 117, check here ▶ <input type="checkbox"/>			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
29 Retained earnings, accumulated income, endowment, or other funds				
30 Total net assets or fund balances	422,254.	3,259,294.		
31 Total liabilities and net assets/fund balances	1,202,251.	4,522,142.		

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	422,254.
2 Enter amount from Part I, line 27a	2	2,837,040.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	3,259,294.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	3,259,294.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs MLC Co)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo, day, yr)	(d) Date sold (mo, day, yr)
1a LOSS ON DISPOSAL OF FIXED ASSET	P		
b			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 1,500.	1,346.	3,365.	<519.>
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(l) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a			<519.>
b			
c			
d			
e			

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	<519.>
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) If (loss), enter -0- in Part I, line 8	3	<519.>

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

If "Yes," the organization does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year, see instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2001	6,788,636.	2,414,735.	2.8113379
2000	1,257,111.	5,401,386.	.2327386
1999	143,670.	128,542.	1.1176892
1998			
1997			

2 Total of line 1, column (d)	2	4.1617657
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	1.3872552
4 Enter the net value of noncharitable-use assets for 2002 from Part X, line 5	4	1,399,161.
5 Multiply line 4 by line 3	5	1,940,993.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	192.
7 Add lines 5 and 6	7	1,941,185.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions	8	11,996,415.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here [] and enter "N/A" on line 1
Date of ruling letter (attach copy of ruling letter if necessary-see instructions)
b Domestic organizations that meet the section 4940(e) requirements in Part V, check here [X] and enter 1% of Part I, line 27b
c All other domestic organizations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)
3 Add lines 1 and 2
5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-
6 Credits/Payments
a 2002 estimated tax payments and 2001 overpayment credited to 2002
b Exempt foreign organizations - tax withheld at source
c Tax paid with application for extension of time to file (Form 8868)
d Backup withholding erroneously withheld
7 Total credits and payments Add lines 6a through 6d
8 Enter any penalty for underpayment of estimated tax. Check here [] if Form 2220 is attached
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid
11 Enter the amount of line 10 to be: Credited to 2003 estimated tax 0. Refunded

STATEMENT D

Table with 2 columns: Label (6a-6d) and Amount (1,697.00)

Part VII-A Statements Regarding Activities

1a During the tax year, did the organization attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?
c Did the organization file Form 1120-POL for this year?
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year
e Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on organization managers.
2 Has the organization engaged in any activities that have not previously been reported to the IRS?
3 Has the organization made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments?
4a Did the organization have unrelated business gross income of \$1,000 or more during the year?
4b If "Yes," has it filed a tax return on Form 990-T for this year?
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either
7 Did the organization have at least \$5,000 in assets at any time during the year?
8a Enter the states to which the foundation reports or with which it is registered (see instructions) CALIFORNIA, TEXAS
b If the answer is "Yes" to line 7, has the organization furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G?
9 Is the organization claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2002 or the taxable year beginning in 2002 (see instructions for Part XIV)?
10 Did any persons become substantial contributors during the tax year?
11 Did the organization comply with the public inspection requirements for its annual returns and exemption application?
12 The books are in care of KIPP FOUNDATION Telephone no 415-399-1556
Located at 345 SPEAR ST, STE 510, SAN FRANCISCO, CA ZIP+4 94105
13 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

- 1a During the year did the organization (either directly or indirectly)
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the organization agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)

b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 19 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here

c Did the organization engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2002?

2 Taxes on failure to distribute income (section 4942) (does not apply for years the organization was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))

a At the end of tax year 2002, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2002? If "Yes," list the years

b Are there any years listed in 2a for which the organization is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions)

c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here

3a Did the organization hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?

b If "Yes," did it have excess business holdings in 2002 as a result of (1) any purchase by the organization or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the organization had excess business holdings in 2002.)

4a Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes?

b Did the organization make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2002?

5a During the year did the organization pay or incur any amount to
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?
(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?
(3) Provide a grant to an individual for travel, study, or other similar purposes?
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the organization claim exemption from the tax because it maintained expenditure responsibility for the grant? If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If you answered "Yes" to 6b, also file Form 8870.

Table with 3 columns: Question ID, Yes, No. Rows include 1a, 1b, 1c, 2b, 3b, 4a, 4b, 5b, 6b with 'X' marks in the Yes or No columns.

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation:

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 10		261,888.	6,321.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
MATT CANDLER 345 SPEAR STREET, SUITE 510	VP OF SCHOOL DEV 40	120,455.	4,795.	
LISA DAGGS 345 SPEAR STREET, SUITE 510	CHIEF OF STAFF 40	123,467.	4,361.	
JOHN KANBERG 345 SPEAR STREET, SUITE 510	GENERAL COUNSEL 40	123,379.	3,957.	
MARK MEDEMA 345 SPEAR STREET, SUITE 510	DIR FACILITIES 40	105,603.	4,203.	
NANCY DEARHAMMER 345 SPEAR STREET, SUITE 510	DIR OF ACADEMICS 40	104,181.	4,061.	
Total number of other employees paid over \$50,000				52

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
CAMBRIDGE EDUCATION ASSOCIATES STATION RD CAMBRIDGE, ENGLAND CB12RS	SCHOOL EVALUATION	118,253.
NANCY EUSKE PO BOX 4736, CARMEL, CA 93921	INSTRUCTIONAL SERVICES FOR FELLOWS	112,025.
VINSON & ELKINS 2300 FIRST CITY TOWER, HOUSTON, TX 77002	LEGAL SERVICES	79,183.
D2F2 FOUNDATION 345 SPEAR ST., SUITE 510, SAN FRANCISCO	PROFESSIONAL SERVICES	228,000.
DAVID LEVIN 164 EAST 33RD ST. #18, NEW YORK, NY 10016	EDUCATIONAL CONSULTING	88,188.
Total number of others receiving over \$50,000 for professional services		4

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 SEE STATEMENT B	11,169,230.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3	0.

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a Average monthly fair market value of securities	1a	
b Average of monthly cash balances	1b	1,420,468.
c Fair market value of all other assets	1c	
d Total (add lines 1a, b, and c)	1d	1,420,468.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2 Acquisition indebtedness applicable to line 1 assets	2	0.
3 Subtract line 2 from line 1d	3	1,420,468.
4 Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	21,307.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	1,399,161.
6 Minimum investment return. Enter 5% of line 5	6	69,958.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here and do not complete this part)

1 Minimum investment return from Part X, line 6		1
2a Tax on investment income for 2002 from Part VI, line 5	2a	
b Income tax for 2002 (This does not include the tax from Part VI)	2b	
c Add lines 2a and 2b		2c
3 Distributable amount before adjustments Subtract line 2c from line 1		3
4a Recoveries of amounts treated as qualifying distributions	4a	
b Income distributions from section 4947(a)(2) trusts	4b	
c Add lines 4a and 4b		4c
5 Add lines 3 and 4c		5
6 Deduction from distributable amount (see instructions)		6
7 Distributable amount as adjusted Subtract line 6 from line 5. Enter here and on Part XIII, line 1		7

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a Expenses, contributions, gifts, etc - total from Part I, column (d), line 26	1a	11,853,953.
b Program-related investments - Total from Part IX-B	1b	0.
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	142,462.
3 Amounts set aside for specific charitable projects that satisfy the		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	11,996,415.
5 Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b	5	192.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	11,996,223.

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2001	(c) 2001	(d) 2002
1 Distributable amount for 2002 from Part XI, line 7				0.
2 Undistributed income, if any, as of the end of 2001			0.	
a Enter amount for 2001 only				
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2002				
a From 1997				
b From 1998				
c From 1999				
d From 2000				
e From 2001				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2002 from Part XII, line 4 ▶ \$ <u>N/A</u>			0.	
a Applied to 2001, but not more than line 2a				
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2002 distributable amount				0.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2002 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:	0.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount - see instructions		0.		
e Undistributed income for 2001. Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2002 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2003				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3)	0.			
8 Excess distributions carryover from 1997 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2003. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 1998				
b Excess from 1999				
c Excess from 2000				
d Excess from 2001				
e Excess from 2002				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2002, enter the date of the ruling ▶
 b Check box to indicate whether the organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year				(e) Total
	(a) 2002	(b) 2001	Prior 3 years		
			(c) 2000	(d) 1999	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	54,522.	65,752.	106,939.	0.	227,213.
b 85% of line 2a	46,344.	55,889.	90,898.	0.	193,131.
c Qualifying distributions from Part XII, line 4 for each year listed	11,996,415.	6,789,294.	1,257,111.	143,670.	20,186,490.
d Amounts included in line 2c not used directly for active conduct of exempt activities	0.	0.	0.	0.	0.
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c	11,996,415.	6,789,294.	1,257,111.	143,670.	20,186,490.
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test - enter:					
(1) Value of all assets					0.
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0.
b "Endowment" alternative test - Enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed	46,639.	80,491.	180,046.	845.	308,021.
c "Support" alternative test - enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					0.
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0.
(3) Largest amount of support from an exempt organization					0.
(4) Gross investment income					0.

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year-see page 25 of the instructions.)

1 **Information Regarding Foundation Managers:**
 a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))

SEE STATEMENT 11

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

NONE

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**
 Check here if the organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the organization makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number of the person to whom applications should be addressed
 N/A

b The form in which applications should be submitted and information and materials they should include
 N/A

c Any submission deadlines
 N/A

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors
 N/A

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<i>a Paid during the year</i>				
KIPP SCHOOLS		501(C)(3)	EDUCATION	1,642,431.
Total				▶ 3a 1,642,431.
<i>b Approved for future payment</i>				
KIPP SCHOOLS		501(C)(3)	EDUCATION	34,645.
Total				▶ 3b 34,645.

Schedule B
(Form 990, 990-EZ, or
990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No 1545-0047

2002

Name of organization

KIPP FOUNDATION

Employer identification number

94-3362724

Organization type (check one)

Filers of:

Section:

Form 990 or 990-EZ

501(c)() (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check box(es) for both the General Rule and a Special Rule-see instructions.)

General Rule-

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules-

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ▶ \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions
for Form 990 and Form 990-EZ

Schedule B (Form 990, 990-EZ, or 990-PF) (2002)

Name of organization

Employer identification number

KIPP FOUNDATION

94-3362724

Part I • **Contributors** (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	J.R. HYDE SR. FAMILY FOUNDATION 6075 POPLAR AVE. STE 335 MEMPHIS, TN 38119	\$ 12,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	NFL CHARITIES 280 PARK AVENUE NEW YORK, NY, 10017	\$ 50,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	U.S. DEPARTMENT OF EDUCATION 400 MARYLAND AVENUE SW WASHINGTON D.C., 20202-0498	\$ 863,708.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	D2F2 FOUNDATION 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	\$ 11,322,850.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	BILL & MELINDA GATES FOUNDATION PO BOX 23350 SEATTLE, WA 98102	\$ 378,013.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	THE WALTON FAMILY FOUNDATION, INC. PO BOX 2030 BENTONVILLE, AR 72712-2030	\$ 1,200,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

KIPP FOUNDATION

94-3362724

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	NATIONAL GEOGRAPHIC SOCIETY EDUCATION FOUNDATION 1145 17TH STREET, NW WASHINGTON D.C., 20036-4688	\$ 200,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8	MEMPHIS CITY SCHOOL DISTRICT 2597 AVERY AVENUE MEMPHIS, TENNESSEE 38112	\$ 287,003.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
9	ANNIE E. CASEY FOUNDATION 701 ST. PAUL STREET BALTIMORE, MD 21202	\$ 25,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
10	THE LOUISE & CLAUDE ROSENBERG JR. FAMILY FOUNDATION 2465 PACIFIC AVE SAN FRANCISCO, CA 94115	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
11	KIPP INC. 10711 KIPP WAY HOUSTON, TX 77099	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
12	BARI LIPP FOUNDATION 38 PARK ROAD SCARSDALE, NY 10583	\$ 12,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

KIPP FOUNDATION

94-3362724

Part I - Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
13	WILLIAM C. MCIVOR C/O SCHWAB FUND FOR CHARITABLE GIVING 101 MONTGOMERY STREET SAN FRANCISCO, CA 94104	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
14	CHARISMA FUND-LUCY R. SPRAGUE MEMORIAL, FIDELITY INV. CHARITABLE GIFT FUND 82 DEVONSHIRE STREET BOSTON, MA 02109	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
15	SAN ANTONIO AREA FOUNDATION 110 BROADWAY, SUITE 230 SAN ANTONIO, TX 78205	\$ 25,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
16	CHRIS LEHANE 628 LAKE STREET SAN FRANCISCO, CA 94118	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
17	MARK FABIANI 6002 BEAUMONT AVE LA JOLLA, CA 92037	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
18	GOLDSBURY FOUNDATION P.O. BOX 460567 SAN ANTONIO, TX 78246	\$ 142,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

KIPP FOUNDATION

94-3362724

Part I • **Contributors** (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
19	A.R. TOWNSEND SR., JANICE T. TOWNSEND 200 PATTERSON AVE # 810 SAN ANTONIO, TX 78209-6268	\$ 25,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
20	KINDER FOUNDATION P.O. BOX 130776 HOUSTON, TX 77219-0776	\$ 50,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
21	THE WILLIAM AND FLORA HEWLETT FOUNDATION 2121 SAND HILL ROAD MENLO PARK, CA 94025	\$ 20,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
22	JOSEPH DROWN FOUNDATION 1999 AVENUE OF THE STARS, SUITE 1930 LOS ANGELES, CA 90067	\$ 50,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
23	DAGNY MAIDMAN 770 RHODE ISLAND SAN FRANCISCO, CA 94107	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 1

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
LOSS ON DISPOSAL OF FIXED ASSET	1,500.	3,365.	0.	1,346.	<519.>
CAPITAL GAINS DIVIDENDS FROM PART IV					0.
TOTAL TO FORM 990-PF, PART I, LINE 6A					<u><519.></u>

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 2

SOURCE	AMOUNT
INTEREST INCOME	19,163.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	<u>19,163.</u>

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	AMOUNT
SERVICE FEES	35,359.
TOTAL TO FORM 990-PF, PART I, LINE 11, COLUMN A	<u>35,359.</u>

FORM 990-PF	LEGAL FEES			STATEMENT 4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL	126,638.	0.	0.	126,638.
TO FM 990-PF, PG 1, LN 16A	126,638.	0.	0.	126,638.

FORM 990-PF	ACCOUNTING FEES			STATEMENT 5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	28,450.	0.	0.	28,450.
TO FORM 990-PF, PG 1, LN 16B	28,450.	0.	0.	28,450.

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT 6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
OTHER PROFESSIONAL	129,127.	0.	0.	129,127.
TO FORM 990-PF, PG 1, LN 16C	129,127.	0.	0.	129,127.

FORM 990-PF	TAXES			STATEMENT 7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAX	2,200.	0.	0.	2,200.
OTHER TAXES	61.	0.	0.	61.
TO FORM 990-PF, PG 1, LN 18	2,261.	0.	0.	2,261.

FORM 990-PF	OTHER EXPENSES			STATEMENT	8
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
HOUSING	135,235.	0.	0.	135,235.	
INSTRUCTION	43,072.	0.	0.	43,072.	
MATERIALS AND SUPPLIES	9,222.	0.	0.	9,222.	
SCHOOL HOSTING	44,600.	0.	0.	44,600.	
MISCELLANEOUS	31,919.	0.	0.	31,919.	
OPERATIONS CONSULTING	1,402,345.	0.	0.	1,402,345.	
MARKETING SUPPLIES AND ADVERTISEMENT	109,065.	0.	0.	109,065.	
FELLOW RECRUITMENT	4,138.	0.	0.	4,138.	
NETWORK AND SCHOOL AWARDS	2,000.	0.	0.	2,000.	
NATIONAL PROGRAMS: STUDENT LEADERS	7,983.	0.	0.	7,983.	
PAYROLL TAXES	376,215.	0.	0.	376,215.	
TELECOMMUNICATIONS	190,092.	0.	0.	190,092.	
BANK CHARGES	1,706.	0.	0.	1,706.	
COMPUTERS AND SOFTWARE	13,796.	0.	0.	13,796.	
DUES AND SUBSCRIPTIONS	26,711.	0.	0.	26,711.	
EQUIPMENT RENTAL	18,684.	0.	0.	18,684.	
UTILITIES	3,638.	0.	0.	3,638.	
INSURANCE	22,394.	0.	0.	22,394.	
LICENSES, PERMITS AND FEES	822.	0.	0.	822.	
OFFICE SUPPLIES	55,482.	0.	0.	55,482.	
REPAIRS AND MAINTENANCE	4,861.	0.	0.	4,861.	
PAYROLL PROCESSING FEES	7,385.	0.	0.	7,385.	
POSTAGE AND DELIVERY	51,617.	0.	0.	51,617.	
EMPLOYEE EXPENSES	11,814.	0.	0.	11,814.	
OTHER SCHOOL EXPENSES	18,066.	0.	0.	18,066.	
BAD DEBT EXPENSE	6,287.	0.	0.	6,287.	
KIPP PROF DEV SERVICES	15,820.	0.	0.	15,820.	
NATIONAL PROGRAMS: STAPLES	2,000.	0.	0.	2,000.	
TO FORM 990-PF, PG 1, LN 23	2,616,969.	0.	0.	2,616,969.	

FORM 990-PF	OTHER ASSETS		STATEMENT	9
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE		
DEPOSIT	32,876.	32,876.		
NOTES RECEIVABLE	234,117.	234,117.		
TOTAL TO FORM 990-PF, PART II, LINE 15	266,993.	266,993.		

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 10

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
DONALD G. FISHER 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	DIRECTOR/CHAIRMAN 1	0.	0.	0.
DORIS F. FISHER 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	DIRECTOR 1	0.	0.	0.
MICHAEL H. FEINBERG 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	CEO/DIRECTOR 55 HOURS	158,827.	6,321.	0.
SCOTT HAMILTON 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	PRESIDENT 1	0.	0.	0.
JANE SPRAY 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	SECRETARY/TREASURER 1	0.	0.	0.
DAVID LEVIN 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	VICE PRESIDENT 1	0.	0.	0.
(DAVID LEVIN WAS PAID A FEE OF CONSULTING)	\$88,188 FOR EDUCATIONAL 0.	0.	0.	0.
SHAWN HURWITZ 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	DIRECTOR 1	0.	0.	0.
JOHN J. FISHER 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	DIRECTOR 1	0.	0.	0.
MICHAEL BUERGER 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	CFO 55 HOURS	103,061.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		261,888.	6,321.	0.

FORM 990-PF

PART XV - LINE 1A
LIST OF FOUNDATION MANAGERS

STATEMENT 11

NAME OF MANAGER

DONALD G. FISHER
DORIS F. FISHER

KIPP Foundation
EIN: 94-3362724
June 30, 2003

Property, plant and equipment consist of the following at June 30, 2003:

Computer Equipment	\$ 233,894
Office Equipment	57,026
Improvements	16,021
<hr/>	
Total	306,941
Less accumulated depreciation	111,664
<hr/>	
Property, plant and equipment - net	\$ 195,277

Depreciation expense for the year ended June 30, 2003 totaled \$71,144.

Summary of Direct Charitable Activities:

The KIPP Foundation promotes and enhances effective public education at low income public schools (including, specifically, charter schools) through the development of curriculum, training of school executives, facilitation of the sharing of information by schools and school executives, assistance to others in establishing new, and establishment of a national network of highly effective low income schools, initially at the elementary and middle school level. This is done by first recruiting outstanding educators to lead future KIPP schools. KIPP then operates a multi-faceted, three-year program of training, school evaluation, and financial and operational support. Although KIPP has continuously expanded and refined its Leadership Program in response to the emerging needs of its schools, the core functions of the KSLP include the following:

Training. Development and delivery of numerous training events, including the formal classroom program, residencies, and “school leader boot camp;” ongoing regional training programs; school leader credentialing; “Team & Family” training events for school leaders, teachers, office managers, directors and students; and organizational knowledge management operations.

Evaluation. Coordination of school inspections, which can trigger financial awards to their educational programs, including initial visits, pre-inspections, programmatic recommendations and documentation.

Instructional Leadership. “Post graduate” training for KIPP schools, including support in the areas of standards & curriculum; instructional methods and materials; categorical funding programs; student assessment / data driven instruction.

Organizational Leadership. Training and school support in development of community relations programs; school culture; accountability and compliance; parent engagement and staff relations; media relations; school governance; board management.

Operational Leadership. Support of the business and financial aspects of school operations; formal and informal training with respect to planning and management, procurement, systems & procedures, facilities and facility management.

Kipp Foundation
EIN: 94-3362724
June 30,2003

Form 990-PF, Part VII-A, Question #10

D2F2 Foundation
345 Spear Street, Suite 510
San Francisco, CA 94105

The Walton Family Foundation, Inc.
PO Box 2030
Bentonville, AR 72712-2030

KIPP Foundation
EIN: 94-3362724
June 30, 2003

The KIPP Foundation is in a 60-month termination under section 507(b)(1)(B). The IRS has issued a determination which indicates that the KIPP Foundation will be treated as a public charity described in sections 509(a)(1) and 170(b)(1)(ii) of the Code for an advance ruling period of 60 months beginning July 1, 2002.

Attached to this return is Form 872 "Consent to Extend the Time to Assess Tax." Accordingly, the Foundation is not required to pay the excise tax.

Based on the IRS instructions for a 60-month termination, the Foundation is completing this return as if it were still a private operating foundation.

• If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** and check this box

Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time - Must file Original and One Copy.	
Type or print. Name of Exempt Organization KIPP FOUNDATION	Employer identification number 94-3362724
File by the extended due date for filing the return See instructions Number, street, and room or suite no. If a P.O. box, see instructions. 345 SPEAR STREET, NO. 510	For IRS use only
City, town or post office, state, and ZIP code. For a foreign address, see instructions. SAN FRANCISCO, CA 94105-1657	

Check type of return to be filed (File a separate application for each return):

- Form 990
- Form 990-EZ
- Form 990-T (sec. 401(a) or 408(a) trust)
- Form 1041-A
- Form 5227
- Form 8870
- Form 990-BL
- Form 990-PF
- Form 990-T (trust other than above)
- Form 4720
- Form 6069

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- If the organization does **not** have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the **whole group**, check this box . If it is for **part** of the group, check this box and attach a list with the names and EINs of all members the extension is for

4 I request an additional 3-month extension of time until MAY 17, 2004

5 For calendar year _____, or other tax year beginning JUL 1, 2002 and ending JUN 30, 2003

6 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

7 State in detail why you need the extension
ADDITIONAL TIME IS REQUIRED TO GATHER THE INFORMATION NECESSARY TO PREPARE A COMPLETE AND ACCURATE TAX RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ 0.

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ 1,697.

c **Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ 0.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature Susan M. Mat Title CPA Date 2/12/04

Notice to Applicant - To Be Completed by the IRS

- We **have** approved this application. Please attach this form to the organization's return.
- We **have not** approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- We **have not** approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting the 10-day grace period.
- We **cannot consider** this application because it was filed after the due date of the return for which an extension was requested.
- Other _____

EXTENSION APPROVED
FEB 27 2004
LINDA WEISKOPF, FIELD DIRECTOR,
SUBMISSION PROCESSING, OGDEN

Director _____ By _____ Date _____

Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print. Name HOOD & STRONG LLP, CPAS
Number and street (include suite, room, or apt. no.) Or a P.O. box number 60 SPEAR STREET, SUITE 400
City or town, province or state, and country (including postal or ZIP code) SAN FRANCISCO, CA 94105

223832
05-22-02

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

Note: Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)

Note: Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only
 All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Type or print	Name of Exempt Organization KIPP FOUNDATION	Employer identification number 94-3362724
File by the due date for filing your return See instructions	Number, street, and room or suite no. If a P.O. box, see instructions. 345 SPEAR STREET, NO. 510	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. SAN FRANCISCO, CA 94105-1657	

Check type of return to be filed (file a separate application for each return):

- | | | |
|---|---|------------------------------------|
| <input type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input checked="" type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- If the organization does **not** have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the **whole** group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-month, for **990-T corporation**) extension of time until **FEBRUARY 17, 2004** to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year _____ or
 ▶ tax year beginning **JUL 1, 2002**, and ending **JUN 30, 2003**

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ 0.

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit \$ 1,697.

c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ 0.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature ▶ *Susan M Malone* Title ▶ CPA Date ▶ 11/17/03
 LHA For Paperwork Reduction Act Notice, see instruction Form 8868 (12-2000)